

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
AT TACOMA

UNITED SERVICES AUTOMOBILE
ASSOCIATION,

Plaintiff,

V.

DENNIS KARUZAS et al.,

Defendant.

CASE NO. 3:23-cv-05958-DGE

ORDER TO SHOW CAUSE

Before the Court is Plaintiff's Motion for Default Judgment Against Defendant Marie

Terry. (Dkt. No. 25.) This is an action for declaratory judgment brought by Plaintiff United

Services Automobile Association (“USAA”) against Defendants Dennis and Vicki Karuzas (the

“Insureds”) and Marie Terry. (Dkt. No. 1.) According to the complaint, Terry filed suit against

the Insureds in December 2022 seeking damages arising out of a boating accident. The Insureds

who held a boatowner's policy, sought indemnification and defense from USAA. (*Id.* at 2-4.)

USAA concluded there likely was not coverage for the acts claimed in Terry's complaint but

agreed to defend the Insureds under a full reservation of rights pending further investigation and

determination of coverage under the policy. (*Id.* at 4.)

USAA filed this complaint, requesting declaratory judgment that it owes no duty or

obligation to indemnify the Insureds against Terry's complaint, reimburse them for any

1 payments made in settlement of those claims, or continue providing a defense. (*Id.* at 9–10.)

2 Absent from the complaint is any requested relief against Defendant Terry.

3 On January 24, 2024, USAA and the Insureds filed a stipulated motion for declaratory
4 judgment. (Dkt. No. 17.) The parties agreed USAA owed no duty or obligation to defend the
5 Insureds and may withdraw its defense in the underlying action. The Court accepted the
6 stipulated motion and entered an order to the same effect on February 12, 2024. (Dkt. No. 21.)

7 The only remaining defendant, Marie Terry, defaulted on January 30, 2024. (Dkt. Nos.
8 19, 20.) USAA now requests this Court enter default judgment against Terry. (Dkt. No. 25.)
9 However, review of the complaint reveals USAA requested no relief against Defendant Terry.
10 With the declaratory relief against the Insureds granted, there does not appear to remain any case
11 or controversy between the parties capable of redressability. It is thus unclear what relief USAA
12 seeks in requesting the Court enter default judgment against Terry. The Court orders USAA to
13 show cause for why the case should not be dismissed for lack of case or controversy pled against
14 Defendant Terry.

15 Accordingly, the Court:

16 1. **STRIKES** Plaintiff's Motion for Default Judgment Against Defendant Marie
17 Terry (Dkt. No. 25); and

18 2. **ORDERS** Plaintiff to show cause why the complaint should not be dismissed.

19 Dated this 20th day of March 2024.

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David G. Estudillo
United States District Judge